Classification of banks as fragile

*696. SHRI KALRAJ M1SHRA: Will the Minister of FINANCE be pleased to state:

(a) whether several banks in the Indian banking system have been classified as being fragile and having a negative network;

(b) if so, the details thereof;

(c) the factors responsible for such Indian banks being classified as fragile;

(d) whether Government have taken any steps to tone up the functioning of such banks; and

(e) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI B ALASAHEB VIKHE PATIL): (a) to (c) No, Sir. According to Reserve Bank of India (RBI) one public sector bank *viz.* Indian Bank and two private sector banks *viz.* the Benares State Bank Ltd. and the Neduhgadi Bank Ltd. had negative networth as on 31st March, 2001. The major factors responsible for their negative networth are high incidence of NPAs and continuous losses incurred by them.

(d) and (e) Reserve Bank of India (RBI) and the Government have advised the banks to take several steps such as to rationalize their staff strength and branch network, abolition of zonal offices, lowering of cost of deposits, operations, increase in their productivity and reduction of NPAs. RBI conducts inspections of the banks periodically and takes follow up action. Government also monitors the performance of the public sector banks on a continuing basic. In the case of Indian Bank, Government of India has provided recapitalisation support of Rs. 1300 crores during the year 2001 -2002 to improve its networth.

Development of Bangalore Airport

*697. SHRI H.K. JAVARE GOWDA: Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether it s a fact that Bangalore airport handles approximately 100 flights a day and about two lakh passengers in a month;

(b) whether it is also a fact that the existing infrastructure is insufficient to meet the demands of the passengers; and

(c) if so, the details of the steps Government propose to take for infrastructure development of Bangalore airport till the completion of Devenahalli Airport for the ever growing passengers traffic and its International importance?